United States Bankruptcy Court for the District of New Jersey
Order Filed on
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Court District of New Jersey

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

Caption in Compliance with D.N.J. LBR 9004-2 (c)

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In re:	Chapter 11
CONGOLEUM CORPORATION, et al.,	Case No. 03-51524 (KCF)
Debtors.	Jointly Administered

ORDER GRANTING CROSS-MOTION FOR DISGORGEMENT OF FEES PAID TO GILBERT, HEINTZ & RANDOLPH, LLP

The relief set forth on the following pages numbered two through three (2-3) is hereby **ORDERED.**

DATED: 3/27/2006

Honorable Kathryn C. Ferguson
United States Bankruptcy Judge

This core matter involving the administration of this bankruptcy case came before the Court on (1) the Motion of Gilbert, Heintz & Randolph LLP ("GHR") to withdraw as counsel to the Debtors (Dkt. No. 3185), and on the Cross-Motion of Certain Insurers for disgorgement by GHR, (Dkt. No. 3230), which was joined in whole or in part by the Official Bondholders' Committee (Dkt. No. 3564), the United States Trustee (Dkt. No. 3562), the New Jersey Property-Liability Insurance Guaranty Association and New Jersey Surplus Lines Insurance Guaranty Fund (Dkt. No. 3559) and several other insurers (Dkt. Nos. 3233, 3498) and (2) the separate and independent Motion by the US Trustee for disgorgement by GHR (Dkt. No. 3562); and the Court having considered all pleadings, declarations, exhibits, letters and statements filed in connection therewith and the arguments of counsel at the February 6, 2006 hearing (Dkt. No. 3581) and February 27, 2006 hearing; and based on the Court's findings and rulings, as stated in the Court's opinion disposing of the above-referenced motions, which was read into the record on February 7, 2006 (Dkt. No. 3582) and further addressed with respect to the US Trustee's Motion only on February 27, 2006; and upon service of a proposed form of this Order, under the Five-Day Rule, Local Bankruptcy Rule 9072-1(d), upon (i) the Master Service List, (ii) all parties filing opposition to the Motions, and (iii) all counsel appearing at the February 6, 2006 hearing on the Motions, and consideration of objections thereto, if any, filed pursuant to the Five-Day Rule, **IT IS HEREBY**:

ORDERED that the Cross-Motion of Certain Insurers for disgorgement by GHR (Dkt. No. 3230) and the separate and independent Motion by the US Trustee for disgorgement by GHR (Dkt. No. 3562) are hereby GRANTED;

ORDERED that GHR shall disgorge to the Debtors the fees and expenses paid to it by the Debtors in connection with GHR's First through Sixth Fee Applications (Doc. Nos. 1700, 1701, 2033, 2195, 2502 and 2930), such amounts totaling $9,662,486.71, ~~less those amounts that GHR sought paid to third party litigation vendors for which GHR sought reimbursement under these Fee Applications, such amounts totaling $918,474.46, for a net total amount to be disgorged by GHR of $8,744,012.25,~~ within 60 days of entry of this Order;

ORDERED that GHR's Seventh and Eighth Fee Applications (Doc. Nos. 3380 and 3465), seeking allowance of a total of $3,312,151.53, are hereby denied except that GHR may reapply to the Court for payment of third party litigation vendors it sought reimbursement for under its ~~Seventh and Eighth~~ previously filed Fee Applications provided ~~that such amount shall not exceed $353,778.93,~~ that any approved amount be subject to setoff against the amount ordered to be disgorged and that all parties preserve their right to object to any such application.

~~**ORDERED** that GHR shall disgorge said funds to the Debtors the $2,070,959.83 that GHR obtained from the Debtors in the year before the filing of the petition,~~ within ~~_____ days of entry of this Order;~~

ORDERED that, counsel for Century shall serve this Order on (i) the Master Service List herein, (ii) all parties filing opposition to the Motions, (iii) all counsel appearing at the February 6, 2006 hearing on the Motions, which service shall be effected by email, facsimile or

Approved by Judge Kathryn C. Ferguson March 27, 2006 regular mail, and that such service and posting of the Order on the electronic docket herein shall be good and sufficient service and notice hereof.

ORDERED that a judgment shall issue with respect to this Order.

Approved by Judge Kathryn C. Ferguson March 27, 2006